

United States
Department of Energy
Southeastern Power Administration

Wholesale Power Rate Schedule CP&L-4-A

Availability:

This rate schedule shall be available to public bodies and cooperatives (any one of whom is hereinafter called the Customer) in North Carolina and South Carolina served through the transmission facilities of Carolina Power & Light Company (hereinafter called the Company). The Customer has chosen to self-schedule and does not receive Government power under an arrangement where the Company schedules the power and provides a credit on the Customer's bill for Government power. The Customer is responsible for providing a scheduling arrangement with the Government and for providing a transmission arrangement. Nothing in this rate schedule shall preclude modifications to the aforementioned contracts to allow an eligible customer to elect service under another rate schedule.

Applicability:

This rate schedule shall be applicable to the sale at wholesale of power and accompanying energy generated at the John H. Kerr and Philpott Projects (hereinafter called the Projects) and sold under appropriate contracts between the Government and the Customer.

Character of Service:

The electric capacity and energy supplied hereunder will be delivered at the Projects.

Monthly Rate:

The monthly rate for capacity, energy, and generation services provided under this rate schedule for the period specified shall be:

Capacity Charge:

\$2.35 Per kilowatt of total contract demand per month.

Energy Charge:

9.38 Mills per kilowatt-hour.

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The Capacity Charge and the Energy Charge will be subject to annual adjustment on January 1 of each year based on transfers to plant in service for the preceding Fiscal Year that are not included in the proposed repayment study. The adjustment will be for each increase of \$1,000,000 to plant in service an increase of \$0.01 per kilowatt per month added to the capacity charge and 0.04 mills per kilowatt-hour added to the energy charge.

Additional rates for Transmission and Ancillary Services provided under this rate schedule shall be the rates charged Southeastern Power Administration by the Company. Future adjustments to these rates will become effective upon acceptance for filing by the Federal Energy Regulatory Commission of the Company's rate.

Tandem Transmission Charge:

\$1.69 Per kilowatt of total contract demand per month, as an estimated cost as of February 2006.

The tandem transmission charge will recover the cost of transmitting power from a project to the border of another transmitting system. This rate will be a formula rate based on the cost to the Government for transmission of power from the Philpott project to the border of the Virginia Electric and Power Company System and the cost to the Government for transmission of power from the John H. Kerr Project to the border of the Carolina Power & Light System. These charges could be recovered through a capacity charge or an energy charge, as determined by the Government.

Transmission and Ancillary Services:

The charges for Transmission and Ancillary Services shall be governed by and subject to refund based upon the terms of the Government-Company contract.

Contract Demand:

The contract demand is the amount of capacity in kilowatts stated in the contract which the Government is obligated to supply and the Customer is entitled to receive.

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Energy to be Furnished by the Government:

The Government will sell to the Customer and the Customer will purchase from the Government energy each billing month equivalent to a percentage specified by contract of the energy made available to the Company (less applicable losses). The Customer=s contract demand and accompanying energy will be allocated proportionately to its individual delivery points served from the Company=s system. The applicable energy loss factor for transmission, in accordance with the Government-Company contract, is six (6) per cent. This loss factor will be governed by the terms of the Government-Company contract.

Billing Month:

The billing month for power sold under this schedule shall end at 12:00 midnight on the last day of each calendar month.

October 1, 2006